STATEMENT OF

FRANK C. CARLUCCI

DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

BEFORE THE

SELECT COMMITTEE ON INTELLIGENCE

UNITED STATES SENATE

ON

TITLE IV

0F

S. 2284

THE "NATIONAL INTELLIGENCE ACT OF 1980"

FEBRUARY 28, 1980

MR. CHAIRMAN, AS PROGRAM MANAGER OF THE CENTRAL INTELLIGENCE AGENCY, I AM PLEASED TO BE HERE TODAY TO TESTIFY ON TITLE IV OF THE "NATIONAL INTELLIGENCE ACT OF 1980."

IN MY OPINION THE BEST FOCAL POINT FOR DISCUSSION OF THE PROVISIONS OF TITLE IV IS SECTION 401, THE "STATEMENT OF PURPOSES", WHICH LISTS THE GOALS THAT THE TITLE IV PROVISIONS SEEK TO ACCOMPLISH. TITLE IV GENERALLY ACHIEVES THOSE GOALS.

ADMIRAL TURNER, IN HIS OPENING STATEMENT BEFORE THIS COMMITTEE LAST WEEK INDICATED THAT ONE OF THE REASONS HE HAS BEEN A STRONG SUPPORTER OF CHARTER LEGISLATION IS THE FACT THAT "THE GUIDING LEGISLATION TODAY IS INCOMPLETE." WHILE BOTH OF THE AGENCY'S ENABLING STATUTES, THE NATIONAL SECURITY ACT OF 1947 AND THE CENTRAL INTELLIGENCE AGENCY ACT OF 1949, HAVE BEEN INVALUABLE TOOLS WHICH ENABLED THIS COUNTRY TO BUILD A STRONG INTELLIGENCE COLLECTION CAPABILITY, THEY, LIKE ANYTHING ELSE, MUST BE REVIEWED AND UPDATED IN LIGHT OF PAST HISTORY, NEW DEMANDS, AND FUTURE CONTINGENCIES. THE CIA HAS FUNCTIONED FOR THE PAST 30 YEARS UNDER THESE STATUTES, BUT THE TIME HAS COME, AS SECTION 401(A) PUTS IT, "TO CLARIFY THE STATUTORY AUTHORITIES, FUNCTIONS, AND RESPONSIBILITIES OF THE CENTRAL INTELLIGENCE AGENCY". MR. CHAIRMAN, THE PRESIDENT, THE DIRECTOR OF CENTRAL INTELLIGENCE, AND I SUPPORT THIS EFFORT FULLY.

TITLE IV OF S. 2284 WOULD REPEAL PROVISIONS OF THE NATIONAL SECURITY ACT OF 1947 THAT RELATE TO THE CIA AND THE CIA ACT OF 1949, AND WOULD REESTABLISH THE AGENCY "UNDER THE DIRECTION OF THE NATIONAL SECURITY COUNCIL AND SUBJECT TO INTELLIGENCE PLANS, OBJECTIVES, AND REQUIREMENTS ESTABLISHED BY THE DIRECTOR OF NATIONAL INTELLIGENCE." SECTION 412 PROVIDES THAT THE DIRECTOR OF NATIONAL INTELLIGENCE AND THE DIRECTOR OF THE CIA SHALL BE THE SAME PERSON, UNLESS THE PRESIDENT DECIDES OTHERWISE, WITH THE ADVICE AND CONSENT OF THE SENATE.

IN ACCORDANCE WITH THE SECOND "PURPOSE" OF TITLE

IV (SECTION 401(2)), "TO AUTHORIZE THE CENTRAL INTELLIGENCE

AGENCY TO PERFORM INTELLIGENCE ACTIVITIES THAT ARE NECESSARY

FOR THE CONDUCT OF THE FOREIGN RELATIONS AND THE PROTECTION

OF THE NATIONAL SECURITY OF THE UNITED STATES", TITLE IV

CLEARLY DELINEATES THE AUTHORITIES OF THE AGENCY TO COLLECT,

ANALYZE, PRODUCE, AND DISSEMINATE INTELLIGENCE AND TO

CONDUCT SPECIAL ACTIVITIES (SECTION 414(B)). ONE OF

THE KEY PROVISIONS OF TITLE IV IS REITERATION IN SECTION

412(E)(4) OF THE DIRECTOR OF THE AGENCY'S AUTHORITY "TO

PROTECT INTELLIGENCE SOURCES AND METHODS FROM UNAUTHORIZED

DISCLOSURE."

- MR. CHAIRMAN, TITLE IV CONTAINS MANY OTHER POSITIVE PROVISIONS TOO NUMEROUS TO MENTION. I WOULD LIKE, HOWEVER, TO COMMEND FOUR PROVISIONS TO THE ATTENTION OF THE COMMITTEE:
  - "COORDINATE THE OVERT COLLECTION OF FOREIGN INTELLIGENCE
    BY ENTITIES OF THE INTELLIGENCE COMMUNITY FROM WITTING
    AND VOLUNTARY SOURCES WITHIN THE UNITED STATES." A
    SLIGHTLY MODIFIED VERSION OF THIS PROVISION WHICH HAS
    ADMINSTRATION APPROVAL IS ATTACHED IN AN APPENDIX.
    THIS AMENDMENT WOULD MAKE CLEAR THAT THE COORDINATION
    OF THESE OVERT COLLECTION ACTIVITIES WOULD BE SUBJECT
    TO POLICY GUIDANCE OF THE DIRECTOR OF NATIONAL INTELLIGENCE. SUCH GUIDANCE IS NOW PROVIDED BY THE DIRECTOR
    OF CENTRAL INTELLIGENCE.
  - THE AGENCY IN SPECIFIED CIRCUMSTANCES TO EXTEND TO CIA EMPLOYEES BY REGULATION CERTAIN BENEFITS AND ALLOWANCES FOR FOREIGN SERVICE EMPLOYEES THAT ARE ENACTED SUBSEQUENT TO THE ENACTMENT OF S. 2284. THIS AUTHORITY TO PROVIDE FOR THE EXTENSION OF SUCH BENEFITS BY REGULATION OF THE DIRECTOR ALONE DOES NOT HAVE ADMINISTRATION APPROVAL. THE ADMINISTRATION AND THE OFFICE OF MANAGEMENT AND BUDGET RECOGNIZE, HOWEVER, THAT IT WOULD FREQUENTLY BE APPROPRIATE TO EXTEND THESE SUBSEQUENTLY ENACTED ALLOWANCES AND BENEFITS

TO CIA PERSONNEL. THUS, WE AND THE OFFICE OF MANAGEMENT AND BUDGET WILL WANT TO WORK WITH THE COMMITTEE AS THE LEGISLATIVE PROCESS MOVES FORWARD IN ORDER TO DETERMINE HOW BEST TO PROVIDE FOR THE EXTENSION OF THESE ALLOWANCES AND BENEFITS. I WANT TO ADD THAT I PERSONALLY FEEL QUITE STRONGLY THAT PARITY WITH THE FOREIGN SERVICE SHOULD BE ACHIEVED WHERE THE SITUATIONS AND CIRCUMSTANCES OF OUR PERSONNEL SERVING ABROAD ARE INDISTINGUISHABLE FROM THOSE OF FOREIGN SERVICE PERSONNEL.

- -- THIRDLY, I MUST NOTE THAT THE SECTION 426 REQUIREMENT FOR CONGRESSIONAL NOTIFICATION OF WITHDRAWALS FROM THE RESERVE FUND IS INTIMATELY RELATED TO THE ISSUE OF PRIOR NOTIFICATION OF SPECIAL ACTIVITIES, WHICH THE COMMITTEE HAS BEEN DISCUSSING WITH ADMIRAL TURNER. WE SHOULD KEEP IN MIND THAT SECTION 426 SHOULD TRACK WITH WHATEVER REQUIREMENTS ARE EVENTUALLY DECIDED UPON IN SECTIONS 125 AND 142;
- THE FREEDOM OF INFORMATION ACT (SECTION 421(D)).

  ADMIRAL TURNER HAS ALREADY EXPRESSED THE ADMINISTRATION'S VIEW THAT THIS PROVISION SHOULD HAVE INTELLIGENCE COMMUNITY-WIDE APPLICABILITY, AND I BELIEVE THAT SENATOR HUDDLESTON HAS INDICATED THAT HE DOES NOT THINK THERE WILL BE ANY DIFFICULTLY IN ACCOMMODATING THE ADMINISTRATION'S CONCERNS.

MR. CHAIRMAN, THAT CONCLUDES MY PREPARED REMARKS. I WILL, HOWEVER, BE GLAD TO ANSWER ANY QUESTIONS WITH REGARD TO THE PROVISIONS OF TITLE IV.

## APPENDIX SECTION 414(B)(10) (AMENDATORY LANGUAGE UNDERLINED)

"(10) IN ACCORDANCE WITH POLICY GUIDANCE PROVIDED

BY THE DIRECTOR OF NATIONAL INTELLIGENCE, COORDINATE THE

OVERT COLLECTION • • STATES;"